

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 460 - SB 1108

February 6, 2013

SUMMARY OF BILL: Requires all home loan closings regulated by the Tennessee Home Loan Protection Act (THLPA) to be supervised by an attorney with sufficient errors and omissions (E&O) insurance coverage.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The THPLA requires certain higher-cost home loans to be closed at either an office of the lender, of a Tennessee attorney, of a title insurance company, of the settlement agent, or of the commercial mortgage broker. It currently does not require an attorney to supervise such closings.
- The Department of Financial Institutions will determine and annually adjust the amount of E&O coverage sufficient for attorneys supervising loan closings under THLPA.
- The Department will verify that the loan closing was supervised by a properly insured attorney through examinations of qualifying loans.
- Any costs incurred to establish the level of coverage or to revise current examination procedures will not be significant and can be accommodated within existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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